

HOUSE BILL No. 1356

DIGEST OF INTRODUCED BILL

Citations Affected: Noncode.

Synopsis: Regulation of out-of-state creditors. Urges the legislative council (council) to assign to the interim study committee on financial institutions and insurance (committee) the topic of the state's authority to regulate out-of-state creditors and other financial services businesses that advertise or solicit business in Indiana. Provides that if the topic is assigned to the committee, the committee: (1) shall consider: (A) the practices of out-of-state motor vehicle title lenders that enter into motor vehicle title loans with Indiana residents outside Indiana; and (B) whether it is advisable for the state to seek to regulate out-of-state creditors and other financial services businesses, and how regulation can be achieved in a constitutional manner; (2) may consult with specified agencies and consultants; and (3) shall issue a final report to the council not later than November 1, 2016.

Effective: July 1, 2016.

Richardson

January 12, 2016, read first time and referred to Committee on Financial Institutions.



Second Regular Session of the 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

HOUSE BILL No. 1356

A BILL FOR AN ACT concerning trade regulation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. [EFFECTIVE JULY 1, 2016] (a) As used in this
2 SECTION, "legislative council" refers to the legislative council
3 established by IC 2-5-1.1-1.

4 (b) As used in this SECTION, "committee" refers to the interim
5 study committee on financial institutions and insurance established
6 by IC 2-5-1.3-4(10).

7 (c) The legislative council is urged to assign to the committee
8 during the 2016 legislative interim the topic of the state's authority
9 to regulate out-of-state creditors and other financial services
10 businesses that advertise or solicit sales, leases, or loans in Indiana.

11 (d) If the topic described in subsection (c) is assigned to the
12 committee, the committee shall consider, as part of its study, the
13 following:

14 (1) The practices of out-of-state motor vehicle title lenders
15 that enter into motor vehicle title loans with Indiana residents
16 at business locations outside Indiana, including information
17 concerning:

18 (A) the interest rates, terms, and conditions imposed with



1 respect to motor vehicle title loans made to Indiana
2 residents by out-of-state motor vehicle title lenders;

3 (B) if determinable, the number of motor vehicle loans
4 made to Indiana residents by out-of-state motor vehicle
5 title lenders annually or on another basis; and

6 (C) the implications of *Midwest Title Loans, Inc. v. Mills*,
7 593 F.3d 660 (7th Cir. Ind. 2010) on the state's ability to
8 protect Indiana residents from unconscionable extensions
9 of credit, wherever made, by out-of-state motor vehicle
10 title lenders or by other out-of-state creditors or financial
11 services businesses.

12 (2) Whether it is advisable for the state to seek to regulate
13 out-of-state creditors and other financial services businesses
14 that solicit business in Indiana and, if so, how such regulation
15 can be achieved in a manner consistent with the Commerce
16 Clause, and any other applicable provisions, of the United
17 States Constitution.

18 (e) If the topic described in subsection (c) is assigned to the
19 committee, the committee may, in conducting its study, consult
20 with:

21 (1) the department of financial institutions, the attorney
22 general, and other appropriate state agencies;

23 (2) regulators from other states;

24 (3) university and law school faculty; and

25 (4) other experts or consultants the committee considers
26 appropriate;

27 subject to the committee's budget and to the rules and policies of
28 the legislative council.

29 (f) If the topic described in subsection (c) is assigned to the
30 committee, the committee shall issue a final report to the legislative
31 council containing the committee's findings and recommendations,
32 including any recommended legislation concerning the topic
33 described in subsection (c) or the considerations set forth in
34 subsection (d), in an electronic format under IC 5-14-6 not later
35 than November 1, 2016.

36 (g) This SECTION expires December 31, 2016.

